

Message Text

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62

ACTION EUR-25

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SUBJ: SOVIET PRESS COVERAGE OF PATOLICHEV VISIT TO US

1. SUMMARY: INAUGURAL MEETING OF BOARD OF US-USSR TRADE AND ECONOMIC COUNCIL IS RECEIVING MAJOR PUBLIC ATTENTION, CENTERPIECE OF WHICH IS BREZHNEV MESSAGE READ OUT DURING PRESIDENT'S DINNER FOR COUNCIL. BREZHNEV CONNECTS LARGE-SCALE, LONG-TERM ECONOMIC RELATIONS WITH STABILITY OF OVERALL US-SOVIET RELATIONS. HIS MESSAGE ALSO IMPLIES LINK BETWEEN ORDINARY TRADE AND JOINT INDUSTRIAL PROJECTS INVOLVING PAYMENT IN KIND. END SUMMARY.

2. MOSCOW PRESS FEBRUARY 27/28 GIVES EXTENSIVE AND HIGHLY FAVORABLE COVERAGE TO FIRST MEETING IN WASHINGTON OF US-USSR TRADE AND ECONOMIC COUNCIL, INCLUDING DINNER AT WHITE HOUSE FOR LARGE SOVIET DELEGATION LED BY FOREIGN TRADE MINISTER PATOLICHEV. IZVESTIYA FEB. 27 AND PRAVDA FEB. 28 PUBLISH LONG TASS DESPATCH FROM WASHINGTON ON FOREIGN NEWS PAGES, AND IZVESTIYA CARRIES SPECIAL REPORT FROM ITS WASHINGTON CORRESPONDENT, KONDRASHOV. ARTICLES ALSO APPEAR IN MOSCOW ECONOMIC PRESS IN SUCH PAPERS AS SOTSIALISTICHESKAYA INDUSTRIYA AND TRUD. IN ADDITION, MOSCOW
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TELEVISION EVENING OF FEB. 27 INCLUDED FIVE-MINUTE FILM REPORTING

EVENT AND HIGHLIGHTING DEVELOPMENTS IN SOVIET-US ECONOMIC RELATIONS OVER PAST YEAR.

3. PRESS COVERAGE INCLUDES PRESIDENT NOXON'S GREETING TO SOVIET DELEGATION, WISHING COUNCIL EVERY SUCCESS AND EMPHASIZING THAT DEVELOPMENT OF ECONOMIC RELATIONS BETWEEN US AND USSR IS MATERIAL FOUNDATION FOR PEACEFUL COEXISTENCE BETWEEN BOTH COUNTRIES AND WILL PROMOTE WORLD PEACE. PRESS ALSO QUOTES -- APPARENTLY IN ENTIRETY-- MESSAGE FROM BREZHNEV AS READ BY PATOLICHEV WHICH MAKES STRONG CONNECTION BETWEEN LARGE-SCALE, LONG-TERM ECONOMIC RELATIONS AND "STABILITY OF US-SOVIET RELATIONS AS A WHOLE." (COMMENT: EMPHASIS ON TIE BETWEEN ECONOMIC AND POLITICAL RELATIONS IS NOTEWORTHY IN CONTEXT OF MFN/CREDITS DEBATE IN US.) BREZHNEV ALSO NOTES IMPORTANCE OF AGREEMENTS CONCLUDED DURING MOSCOW AND WASHINGTON SUMMITS. FACT THAT US-SOVIET TRADE TOTALLED MORE THAN \$1.5 BILLION LAST YEAR HAILED AS DEMONSTRATION OF OPPORTUNITIES AND ADVANTAGES FOR BOTH COUNTRIES.

4. TEXT OF BREZHNEV MESSAGE TO PARTICIPANTS GIVEN IN PRAVDA LENDS ADDITIONAL EMPHASIS TO EARLIER PRONOUNCEMENTS ON US-SOVIET TRADE. AFTER COMMENT ON 1973 TRADE TURNOVER, STATEMENT THAT "LEVEL OF TRADE IS NOT YET ADEQUATE TO POTENTIAL OPPORTUNITIES AND DOES NOT ANSWER THE NEEDS OF BOTH PARTIES" ECHOES COMMENTS FROM VARIOUS SOVIET FOREIGN TRADE MINISTRY OFFICIALS IN PRIVATE CONVERSATIONS ABOUT HEAVILY SKEWED MERCHANDISE BALANCE. NEXT STATEMENT, "EXPERIENCE INDICATES THAT NOT ONLY A MAXIMUM INCREASE IN NORMAL TRADE, BUT ALSO ESTABLISHMENT OF NEW FORMS OF ECONOMIC TIES, AMONG THESE COOPERATION IN THE EXECUTION OF MASSIVE INDUSTRIAL PROJECTS ON A COMPENSATORY BASIS, WILL SATISFY THE MUTUAL INTERESTS OF THE SOVIET AND AMERICAN PEOPLES" IS STRONGEST LINKAGE EMBASSY HAS YET ENCOUNTERED BETWEEN TRADE AND DEVELOPMENT PROJECTS AND SEEMS CLEAR HINT OF SOVIET CUTBACK IN US PURCHASES IF US PARTICIPATION IN SIBERIAN AND OTHER MAJOR UNDERTAKINGS FAILS TO MATERIALIZE.

5. SOLE SOMEWHAT SOUR NOTE IN COVERAGE IS MORE EXPLICIT WARNING ISSUED BY PATOLICHEV DURING FEB 27 PRESS CONFERENCE: "SENATORS SPEAKING OUT AGAINST AVAILABILITY OF CREDITS TO SOVIET UNION ARE THINKING IN TERMS WHICH HAVE LONG BELONGED TO THE PAST. SOVIET TRADING ORGANIZATIONS NATURALLY WANT TO CARRY OUT THEIR OPERATIONS IN A MANNER ADVANTAGEOUS TO OUR COUNTRY, AND THEY WILL BUY GOODS WHERE CREDIT IS AVAILABLE."

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6. KONDRASHOV REPORT INCLUDES REFERENCE TO IMPORTANCE OF 26 US BUSINESS LEADERS ATTENDING COUNCIL AS REPRESENTATIVES OF SOME OF LARGEST CORPORATIONS IN AMERICA. PRESENCE OF ROCKEFELLER OF CHASE MANHATTAN, KLAUSEN OF BANK OF AMERICA AND GERSTENBERG OF GENERAL MOTORS EXPLICITLY STATED, AS WAS ATTENDANCE AT WHITE HOUSE DINNER OF SECRETARIES SHULTZ AND DENT, UNDER SECRETARY CASEY AND CIEP DIRECTOR FLANIGAN.

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